Georgia Tech

PROCUREMENT MANUAL

Georgia Institute of Technology
Procurement and Business Services Division

Procurement Manual

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1.0 Introduction

1.1 Overview

These guidelines identify the procedures applicable to purchasing goods and services at Georgia Institute of Technology to ensure compliance with the Institute's Purchasing Policy and state, federal government and/or sponsor requirements.

Compliance with the procedures contained herein provides an efficient, effective and consistent purchasing process and allows the Institute to achieve procurement related goals and demonstrate compliance. Buyers should also be familiar with the procedures of their department, as well as observe the requirements of any sponsor funding agreements.

1.2 Audience

The Institute's Purchasing Policy and Procurement Manual procedures apply to all employees and any personnel responsible for the acquisition of goods and services for the Institute.

1.3 Contact

Procurement & Business Services
Georgia Institute of Technology
711 Marietta Street, NW
Atlanta, GA 30332
(404) 894-5000
www.procurement.gatech.edu

1.4 Abbreviations

BOR – Board of Regents

CUPO - College and University Procurement Officer

DFARS – Defense Federal Acquisition Regulation Supplement

DOAA – Department of Audits and Accounts

DOAS – Department of Administrative Services

DPA – Delegated Purchasing Authority

FAR – Federal Acquisition Regulations

GPM – Georgia Procurement Manual

Institute – Georgia Institute of Technology

O.C.G.A. – Official Code of Georgia Annotated

OMB – Office of Management and Budget

SAO- State Accounting Office

SPD – State Purchasing Division

USG – University System of Georgia

1.5 Related Links

See Appendix

1.6 Overview of Purchasing at the Institute

At Georgia Institute of Technology, the day-to-day procurement activities are carried out by the Purchasing Department. These duties include processing routine purchase orders, conducting bids for goods and services, agency contract administration, purchasing card program administration, and reviewing the Georgia Procurement Manual and communicating updates from the Department of Administrative Services (DOAS) to staff and faculty when needed.

Georgia Institute of Technology is a unit of the Board of Regents of the University System of Georgia (BOR) and an agency of the State of Georgia. All procurement activities are conducted according to the policies and regulations established by DOAS, O.C.G.A. and the BOR. This manual is intended to provide procedural guidelines at the local level and does not supersede any information set forth by higher authorities.

The Institute expects employees responsible for the acquisition of goods and services to make sound purchasing and contracting decisions that conform to all relevant policies and procedures.

2.0 Ethics, Conflicts of Interest, Gifts, and Confidentiality

2.1 Overview

The purpose of this manual is to supplement Institute policy, for arranging outside activities and to provide a mechanism for resolving potential conflicts of interest or buying ethics. Employees or personnel with buying authority should be aware of the information contained herein related to ethical business standards, conflicts of interest, gifts, and confidentiality. Adherence to the Institute's Purchasing Policy and USG Ethics Policy shall govern all procurement transactions. Potential business ethic violations must be reported through appropriate channels to be properly evaluated and addressed.

Questions related to ethics violations can be directed to GT Office of the General Counsel or by calling EthicsPoint Hotline at 1-866-294-5565.

2.2 Conflict of Interest and Ethical Purchasing

The executive officers, faculty, staff, students, employees, and affiliated individuals at Georgia Tech are expected to abide by its policies and Code of Ethics, as well as any state, federal and, when applicable, international laws, in the performance of job-related duties. Specifically, we will:

- Abstain from inappropriate activities that may affect the conscientious performance of our duties or that result in illicit personal gain.
- Refuse to accept, for ourselves or our families, any favors, gifts, or privileges that might be construed by reasonable persons as influencing the performance of our assigned Institute duties.
- Behave in a manner consistent with our institutional values.
- Make no unauthorized commitments on behalf of the Institute.
- Report violations of the Georgia Tech Code of Ethics through appropriate channels.

Real, perceived or potential purchasing conflicts of interest must be reported to GT Office of the General Counsel or by calling EthicsPoint Hotline at 1-866-294-5565.

2.3 Gift Guidelines

Georgia Tech's policy is that the practice of accepting gifts or gratuities is unnecessary, undesirable, and contrary to the interest of the Institute.

In order to avoid a conflict of interest, or the appearance of a conflict of interest, no Institute employee shall solicit any gift, favor, loan, gratuity, reward, or promise of future employment that might influence or appear to influence the judgment or conduct of the employee vis-à-vis Institute business. No gift may be accepted from any source that may currently be participating in a competitive bid or negotiations as it is the Institute's objective to award business to suppliers based on considerations such as quality, service, competitive pricing, and technical abilities.

Questions about the value or appropriateness of a gift or invitation should be directed to Georgia Tech's Department of Internal Auditing.

2.4 Confidentiality

All Institute employees and personnel responsible for the acquisition of goods and services in the Institute's decentralized purchasing environment must be sensitive to issues of confidentiality. It is improper and prohibited to discuss and/or share confidential and/or proprietary information with or among suppliers.

Questions regarding confidentiality or proprietary information should be directed to the Purchasing Department at Georgia Tech by submitting a ServiceNow ticket via Georgia Tech's Services and Support website.

3.0 Institute Procurement Principles

3.1 Governing Policies & Procedures

3.1.1 Federal Guidelines

Georgia Tech must conform to the minimum procurement standards set forth in the Office of Management and Budget (OMB) issued guidance under 2 CFR Part 200—Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (UG) in order to obtain/maintain an approved purchasing system and to maintain a continued flow of federal research funding.

3.1.1.1 FAR & DFARS

Federal Acquisition Regulations (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) are a set of regulations governing all acquisitions and contracting procedures in the Federal government. When a solicitation or purchase order is in support of a government contract, applicable commercial provisions apply. Click here for more details on the FAR/DFARS Clauses applicable to orders and solicitations at Georgia Tech.

3.1.2 State of Georgia Purchasing Policies

The Department of Administrative Services (DOAS) regulates the procurement activities of state agencies within Georgia. DOAS was created by the Official Code of Georgia Annotated (O.C.G.A.) Section 50-5-1, and operates as an agency of the executive branch of state government. The State Purchasing Act authorized DOAS as the unit of state government responsible for the establishment of contracts, leases, purchase orders or other agreements for the procurement of supplies, materials, equipment, services, and construction, and for overseeing statewide contracts and other contracts serving multiple state entities. DOAS created the State Purchasing Division (SPD) to administer these procurement duties and functions on its behalf.

The Georgia Procurement Manual (GPM) is the written reference guide to applicable Georgia law governing state government purchasing. All purchases made by Georgia Tech must adhere to the provisions of the Georgia Procurement Manual (GPM) unless exempted under Section 1.2 of the manual. Please refer to the GPM for specific purchasing policies and guidelines.

3.1.2.1 Order of Precedence for Purchasing

The Georgia Department of Administrative Services, State Purchasing Division, has established a mandatory order of precedence for all purchasing activities within the state. There are four tiers which determine the available supplier options. The order of precedence applies to purchases made by purchase order and by P-Card.

- **Mandatory Statewide Contracts (Tier 1)** – Statewide mandatory purchase contracts are established by State Purchasing for use by all state entities.

Mandatory contracts must be used when purchasing the applicable goods or services. Examples: Furniture, Computer Peripherals and Audio Visual, Multifunctional Devices (copiers), Vehicles, etc.

- **State Entity or Agency (GT) Contracts (Tier 2)** – Georgia Tech develops agency level contracts through a competitive bid process. Establishing a contract allows Georgia Tech to establish an ongoing relationship with a vendor and alleviates the need to conduct annual bids for the same services. Georgia Tech may not create an agency contract if a mandatory statewide contract is already in place. Agency contracts may be renewed up to four (4) times, but may not exceed a total of five (5) years.

- **Statutory Sources (Mandatory) (Tier 3)** – Certain products and services have been certified as mandatory. Specifically, state entities are required by statute to purchase certain products and services from Georgia Correctional Industries Administration (GCI) and Georgia Enterprises for Products and Services (GEPS) where the products/services being purchased have been certified in writing as further described in Section 1.3.3.1. - Georgia Correctional Industries Administration and Section 1.3.3.2. - Georgia Enterprises for Products and Services of the Georgia Procurement Manual. In the event both GCI and GEPS offer certified products/services capable of meeting the state entity's needs, the state entity has its choice of either source.

- **Convenience Contracts (Tier 4)** - Convenience Contracts may be utilized by state entities and do not require a bid process. These are State purchasing contracts and the state has already performed the bid process but has determined that these contract items are not mandatory, leaving the state entity the option to seek other sources. Note: Purchases made from convenience contract vendors are not subject to bid requirements because this has already been done by the state. Purchases made from non-contract vendors must be evaluated and bid when necessary.

- **Open Market (Tier 4)** – Open market purchases or transactions are those made to non-contracted vendors. Open market orders may be a result of small dollar transactions that do not require bidding. All open market transactions are evaluated to determine if competitive bidding is required or if bidding would achieve better pricing for the state entity.

3.1.3 Georgia Board of Regents (BOR) Policies

As a unit of the Board of Regents of the University System of Georgia, and a State Agency, Georgia Tech is expected to strictly adhere to policies set forth by BOR. The following is taken directly from the "General Policy 7.7.1" of the Board of Regents of the University System of Georgia:

"The USG and all of its institutions shall use DOAS for all purchases unless granted permission by DOAS to make purchases directly. USG institutions shall comply with the various statutes, rules, and regulations governing purchases with state-appropriated funds and purchases from funds to which the USG has title. All purchasing by USG institutions shall be centralized under the direct management and control of the chief business officer of the institution concerned."

The purchasing guidelines established by the Board of Regents are contained within the [Business Procedures Manual](#), Section 3.

3.1.4 Open Records Act

All public records of an agency are subject to inspection under the provisions of the Open Records Act. If Georgia Tech receives a request for a record or a procurement file, the individual in control of such public record or records shall have a reasonable amount of time to determine whether or not the record or records requested are subject to access under this article and to permit inspection and copying. In no event shall this time exceed three business days. Where responsive records exist but are not available within three business days of the request, a written description of such records, together with a timetable for their inspection and copying, shall be provided within that period. However, records not subject to inspection under this article need not be made available for inspection and copying or described other than as required by subsection (h) of Code Section 50-18-72. Additionally, no records need be made available for inspection or copying if the public officer or agency in control of such records shall have obtained, within that period of three business days, an order based on an exception in the article of a superior court of this state staying or refusing the requested access to such records.

In tandem with the Legal Office, the Purchasing Department is responsible for handling open records requests for solicitations developed by Georgia Tech. For onsite inspections, a Georgia Tech employee must be present during the time the records are inspected. If the requestor prefers to receive copies of the records, Georgia Tech may charge the requestor a reasonable amount for copying, administrative and research costs.

All bid information, including supplier names and pricing, is subject to open records requests. Suppliers should specifically identify and mark any proprietary information; however, any marked materials will be evaluated by the Georgia Tech Purchasing staff to verify that an exemption applies. Open records requests made during the protest period of a current solicitation should be forwarded to the appropriate Procurement Contracting Officer. Open records requests after the protest period of a solicitation should be forwarded to Georgia Tech's Legal Affairs Department.

3.2 Procurement Authorization

3.2.1 Authority to Commit Institute Funds

Purchasing authority is granted to Georgia Institute of Technology, College and University Procurement Officer (CUPO), by the State Department of Administrative Services (DOAS), State Purchasing Division (SPD) and the Board of Regents (BOR). In accordance with O.C.G.A Section 50-5-69, SPD may, at its discretion, delegate purchasing authority to state entities to permit those state entities to make purchases on their own behalf.

The Georgia Tech E-Procurement System (Workday) and the GT PCard are the Institute's approved buying methods for procurements from external suppliers. Use of the appropriate buying tool must be in compliance with Institute policies and procedures. The statewide business process policy and procedure distributed by the State Accounting Office (SAO) requires a purchase order for all purchases or obligations to purchase goods and services greater than $2,500 except for exempt purchases outline in Section 8.1.

Through the Purchasing Card Program, this authority has been extended to department level cardholders and approvers. Exceptions may be made for purchases from statewide purchase contracts. Participants in the program are required to follow all purchasing policies and guidelines as established by DOAS, the Board of Regents, and Georgia Tech.

3.2.2 Authority to Sign Contracts

The Board of Regents of the University System of Georgia has authorized the President of Georgia Tech to sign specific contracts on behalf of Georgia Tech. The purchasing authority for Construction and Public Works services vested in Georgia Institute of Technology is delegated by the Board of Regents (BOR) of the University System of Georgia. Georgia Tech is exempt from DOAS purchasing regulations in this area; however, BOR regulations must be followed. Construction and Public Works purchases are the responsibility of the Georgia Tech Facilities Management Department.

For all other purchasing related contracts such as office supplies, research supplies and equipment, technology items and equipment, etc., DOAS has authorized the College and University Purchasing Officer (CUPO) (or his/her designees) the authority to sign.

No member of the Institute, faculty or staff may sign a contract without specific written authorization from the President (Delegation of Presidential Authority Memorandum). State law provides that persons entering into contracts without complying with all applicable State laws and regulations become personally liable for any amounts due under those contracts.

Please be aware that vendor contracts frequently contain language that is unacceptable to the State of Georgia. Any contract, received by the Purchasing Department will go through a thorough review process by the appropriate contracting officer.

3.3 Methods of Purchasing

The following methods may be used for purchases on behalf of Georgia Tech:

- **Purchase Orders (PO)**
  Legally binding (with terms and conditions) commercial documents used to control purchasing and to facilitate payments. PO indicates the supplier, types, quantities and agreed prices for the products or services the supplier will provide to the Institute.

- **Purchasing Card (PCard)**
  A card issued to authorize employees to make allowable purchases of goods and services on behalf of the Institute.

- **Expense Reimbursements**
  Use of personal funds for the purchase of goods incurs additional cost due to sales tax and non-contract pricing, in addition to the loss of procurement data metrics necessary for strategic sourcing activities. Reimbursements for goods and supplies should only be made for small dollar items less than $500 where it is not practical or possible to make the purchase using standard Institute procurement processes. Purchases over $500 that have not been approved by the Director of Purchasing may be classified as personal purchases and may not be reimbursed.

  Payments for personal services (consultants, temps, awards and prizes, rentals, royalties, and honoraria) must be processed through the Institute via the Procurement and Business Services' procurement process, regardless of dollar amount, to ensure compliance with IRS and other federal regulations.

  Allowable Exceptions are:
  - Travel expenses for individuals
  - Conference and meeting registration fees
  - Agency fund (as defined in the chart of accounts) purchases
  - Study abroad expenses incurred during overseas activity
  - Small dollar research participant payments (< $75/person) where check payment is not practical or possible
  - Allowable restaurant meal purchase associated with an official GT conference/event/meeting
  - STRAP tuition reimbursements
  - CRC/ORGT reimbursements for trip leaders (Alaska, National Parks, etc)
  - Allowable food/beverage supplies purchased at retail store
  - Business center supplies/printing/shipping incurred while on travel status

3.4 Institute Process for Procurement of Goods and Services

The official Institute process for the procurement of goods and services is categorized into the following areas unless identified in Section 8.1 Exempt Purchases:

- Catalog purchases within the scope and limits of a Georgia Tech or State of Georgia contract
- Non-Catalog purchases within the scope and limits of a Georgia Tech or State of Georgia contract
- Non-contract purchases less than $10,000 which are delegated to the departments/units
- Non-contract purchases greater than $10,000 but less than $25,000, which require informal bidding (3 quotes from different suppliers) or sole source justification approved by Purchasing Department
- Non-contract purchases $25,000 or greater which require formal bidding or publicly posted sole source justification (*Must be done by the Purchasing Department*)
- Exempt purchases defined in Section 8.1, at the discretion of the Purchasing Department, may require bidding/sole source justification

A quotation from the supplier/vendor should be attached to the requisition for all non-catalog purchases. For low dollar purchases of items found on vendors/suppliers websites, the Purchasing Department may accept alternate documentation in lieu of a formal quote. Please contact the Purchasing Department in these cases for acceptable alternative documentation.

3.5 Sales Tax Exemption

As a unit of the State of Georgia, Georgia Institute of Technology is exempt from the payment of Georgia Sales and Use Tax. Generally, the Institute is not liable for sales taxes of other states if the transaction, or delivery of goods takes place in the State of Georgia. If title passes in another state, the Institute may be liable to pay taxes if a specific tax exemption is not obtained. Georgia Tech is exempt from sales and use tax for the states of Florida, Ohio, Tennessee, and Texas for goods delivered to units within those states. Georgia Tech has a partial exemption from sales and use tax for the state of California for manufacturing, research, and development equipment.

Invoices charging sales tax should be approved for the amount less the sales tax if the goods are shipped to a state that allows tax exemption.

Individual payments for petty cash purchases and travel are not exempt from sales tax as the transaction was with an individual, not Georgia Tech.

Employees traveling within the State of Georgia on official business are exempt from local, county and municipal excise tax on lodging in accordance with Act No. 621. The "State of Georgia Exemption of the Local Hotel/Motel Excise Tax Form" should be utilized to obtain an exemption. The form should be submitted when the traveler initially checks into the hotel.

Questions regarding sales tax exemption should be directed to Georgia Tech's Accounts Payable Department by submitting a ServiceNow ticket via Georgia Tech's Services and Support website.

3.6 Liability Insurance

Unless otherwise specified in the Contract, Purchase Order or by Contracting Officer, the contractor (vendor/supplier) providing services to Georgia Tech must, at its own expense, procure and maintain, without interruption during the entire term of the contract, insurance of the kinds and limits listed below. Certificate(s) of insurance issued by the contractor's insurance carrier(s) must be furnished to Georgia Institute of Technology before beginning work and must name Board of Regents of the University System of Georgia, by on behalf of Georgia Institute of Technology, including its officers, employees and agents as Additional Insureds on the General Liability and Business Automobile Liability policies. The insurance coverage required under the contract are minimum limits required and are not intended to limit the responsibility or liability of the Contractor. Contractor may not utilize a subcontractor to fulfill its obligations of the contract, unless permission is received in writing from the Director of Purchasing, or his official designee. If any subcontractor is used to fulfill the contract, they or the Contractor on their behalf, must carry the same coverage and limits of insurance outlined below. It is the Contractor's responsibility to ensure compliance of this requirement.

Workers' Compensation and Employers' Liability Insurance

a) Workers' Compensation Insurance must be written in accordance with statutory coverage required by the State of Georgia. A self-insurer must provide a certificate from the Georgia Board of Workers' Compensation stating contractor qualifies to pay its own worker's compensation claims.

b) Employer's Liability Insurance shall be written with minimum limits of:

- Bodily Injury by Accident - $1,000,000 each accident
- Bodily Injury by Disease - $1,000,000 each employee
- Bodily Injury by Disease - $1,000,000 policy limit

Commercial General Liability Insurance

Commercial General Liability Insurance must be written on an occurrence form and must provide at minimum the limits listed below. In addition, the Commercial General Liability Insurance Policy must provide coverage for Contractual Liability and all activities to be performed by the contractor.

- General Aggregate Limits to apply per project/location: Each Occurrence - $1,000,000
- Damage to Rented Premises - $ 300,000
- Personal & Advertising Injury - $1,000,000
- General Aggregate - $2,000,000
- Products-Completed Operations Aggregate - $2,000,000

Business Automobile Liability Insurance

Business Automobile Liability Insurance must be written to include coverage for bodily injury and property damage arising from ownership, maintenance or use of any automobile, including all owned, non-owned and/or hired automobile.

- Minimum limit - $1,000,000 Combined Single Limit

Commercial Umbrella/Excess Liability Insurance

- Minimum limit - $2,000,000 Each Occurrence
- Minimum limit - $2,000,000 Annual Aggregate

Professional Liability Errors and Omissions Insurance (*may be required on a case-by-case basis***)**

- Minimum limit - $3,000,000

All insurance coverage must be issued by insurance carriers licensed by the Insurance Commissioner to conduct business in the State of Georgia and have a minimum current A.M. Best rating of A-, Class VII or better in the most recently published A.M. Best.

Questions regarding liability insurance should be directed to Georgia Tech's Director of Insurance and Assets by submitting a ServiceNow ticket via Georgia Tech's Services and Support website.

3.7 E-Verify

Vendors who provide services greater than $2,499.00 are required by state law to complete an E-Verify affidavit, before the services are procured. If a vendor has no employees, O.C.G.A.13-10-91 allows for contractors to submit a driver's license in lieu of the affidavit. The driver's license must be issued by a state within the United States that verifies lawful immigration status prior to issuing the driver's license.

Note: Services that are not on a statewide or agency contract require an e-verify affidavit for **each** purchase order.

Common purchases that require an e-verify affidavit are listed in the table below.

Types of Purchases that are "Physical Performance of Services"	Considered a service and therefore requires an E-verify Affidavit?
Armored Car Services	Yes
AV Installations	Yes
Call Center Services	Yes
Catering Events	Yes
Chartering Services	Yes
Chemical Laboratory Services	Yes
Composition of an original work of art	Yes
Construction	Yes
Consulting Agreements	Yes
Copier Leases (no maintenance or maintenance less than $2500)	No
Copier Maintenance (for GT owned copiers - not for leased copiers under statewide contract)	Yes

Elevator Maintenance	Yes
Employment Agency and Search Firm Services	Yes
Event Planning Services	Yes
Field Research Services	Yes
Fire Alarm System Maintenance and Testing	Yes
Hazardous Material Services - includes biomedical waste removal	Yes
Honoraria	No
Hospitality Services (including wine and cheese events)	Yes
Hotel and Conference Rentals (without catering/ AV Services or with catering/ AV Services that are less than $2500)	No
Hotel and Conference Rentals which include catering and AV services (recommend getting a quote which show separate costs for room rental and catering/AV services)	Yes
Interior Design	Yes
Interpreters	Yes
Janitorial Services	Yes
Landscaping Services	Yes
Laundry and Linen Cleaning Services	Yes
Memberships	No
Mailing Services	Yes
Management Services (examples: Bookstore management, project management, etc.)	Yes
Moving Services	Yes
Parking Services/ Maintenance - including striping and pressure washing	Yes
Pest Control	Yes
Photography	Yes
Piano and Instrument Tuning Services	Yes
Public Works	Yes
Repairs to Equipment which involve billable labor (if parts are involved - recommend getting a quote which shows separate costs of labor and parts)	Yes
Registrations (conference etc.)	No
Rent Payments	No
Sanitizing and Disinfecting Services	Yes
Security Services	Yes
Seeding Services	Yes
Teaching and Instructional Services	Yes
Termite Inspections	Yes
Testing and Calibration Services	Yes
Tour Guide Services	Yes
Towing and Hauling Services	Yes
Utility Payments	No

Waste and Trash Services	Yes
Wood Grinding/Mulching Services	Yes

E-Verify forms and instructions are available on Georgia Tech's Procurement website.

3.8 International Shipping: Exports and Imports

Exports

Exports includes the transfer of controlled physical items to foreign countries or to non-U.S. persons in or out of the United States, transfer or disclosure of information or technical data (even visual disclosure through observation) to foreign countries or non-U.S. persons in the United States or abroad, and provision of services outside the United States or to entities outside the United States.

The process for export approval is listed below.

- Check the ITAR Munitions List and the EAR Commerce Control List to determine whether an item is controlled and therefore requires an export license.

- Complete the International Shipping Review form and return it to the ORIA export control staff for review and approval.

- Visit Georgia Tech's Material Transfer Agreement (MTA) website to determine if a MTA is needed, and to initiate an agreement if needed.

When an international shipment is approved for export, the department will be notified about the requirement for Electronic Export Information (EEI) filing. This is necessary if an export license is required or if the export value exceeds $2,500. Always provide a copy of the EEI filing to the ORIA export control staff and to asklegal@gatech.edu.

Imports

Please contact asklegal@gatech.edu for all imports.

Also, contact the appropriate Georgia Tech compliance office if an import involves research with:

- Human subjects

- Recombinant DNA (rDNA) and synthetic nucleic acid molecules

- Vertebrate animals

3.9 Audits

Georgia Tech's Purchasing Department will participate in various audits, including Contractor Procurement System Reviews (CPSR) conducted by the Office of Naval Research, the Georgia Department of Audits and Accounts (DOAA), the State Accounting Office of Georgia (SAO), other sponsors, and outside auditors engaged by the Institute. The purchasing department will use its best efforts to remain compliant with all requirements.

4.0 Supplier Selection

4.1 Overview

Suppliers must be qualified or meet qualification standards defined in this manual to provide required materials or services at minimum risk to the Institute. Suppliers must satisfy price reasonableness, quality, acceptance of reasonable terms and conditions of sale, delivery performance and ethical business practices.

4.2 How to Add a New Supplier/Vendor Workday?

The process for adding a new Supplier/Vendor to Georgia Tech's E-Procurement System (Workday) is listed below. Note: Suppliers/Vendors are added to the e-procurement system by <u>invitation only</u>. *Quality, performance, and terms and conditions of a vendor are not vetted or negotiated during this process.*

- Requests to add a new vendor to Workday should be submitted via ServiceNow. Be sure to include the supplier/vendor's name.
- Once the vendor profile registration link is received from the Vendor Help Team, forward the link to the supplier/vendor point of contact.
- Once the supplier/vendor has completed the vendor profile form, their information will be reviewed and approved by the Vendor Help Team and added to the e-procurement system (Workday).
- A status notification will be sent to the supplier/vendor and the GT employee who initiated the request.

Questions regarding supplier/vendor setup should be directed to the Georgia Tech Vendor Help Team by submitting a ServiceNow ticket via Georgia Tech's Services and Support website.

4.3 GT Supplier Diversity Program

Georgia Institute of Technology works with minority, small, and women owned businesses to ensure business requirements are clearly communicated. We are committed to being socially responsible and we take great pride in creating success stories within our minority, small, and women owned businesses supply base. Administered by the Purchasing Department, the Supplier Diversity Program is designed to maximize

opportunities for meaningful and mutually beneficial business relationships with minority, small, and women owned businesses that can add value to our institution and help us achieve and maintain our high standards in research and education.

Faculty and staff are encouraged to support Georgia Tech's economic inclusion strategies. It is our institution's goal to identify and include qualified diversity suppliers when we purchase the products and services. The Diversity Suppliers webpage provides details about our minority, small, and women owned businesses by commodity or service at Georgia Tech.

Suppliers who are capable of fulfilling our requirements are encouraged to contact the Georgia Tech Purchasing Department at (404) 894-5000 to schedule an appointment to discuss potential business opportunities with the Institute.

4.4 Supplier Issues

The department or campus unit experiencing dissatisfaction with a supplier's performance must notify the appropriate Contracting Officer in the Purchasing Department, in writing, of the complaint. The following information must be included:

- Supplier Name
- Supplier Contact Information
- PO number, contract number, invoice number, or other supporting documentation
- Good or service procured
- Specific performance details and reasons for dissatisfaction

The Purchasing Department will review the facts through discussions with the requesting department or campus unit to determine the appropriate course of action.

4.5 Suspension and Debarment

The State Purchasing Division Deputy Commissioner may debar a supplier for any of the causes listed below:

- Violation of contract provisions
  - Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract
  - A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts or purchase orders
- Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a state supplier
- Conviction under state or federal antitrust statutes arising out of the submission of solicitation responses
- Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance in the contract or subcontract

- Any other cause so serious and compelling as to affect responsibility as a state supplier, including debarment by another government entity
- Any violations of the provisions of (O.C.G.A.) Sections 45-10-20 through (O.C.G.A.) Sections 45-10-28 which govern conflicts of interest

5.0 Institute P-Card Program

5.1 Overview

The Georgia Tech Procurement Card (PCard) is a purchasing card that may be used by Institute employees for authorized business purchases within the delegated authority limit. The Pcard is a tool for purchases of non-equipment, business related items under the cardholder's single transaction limit in the approved PCard Plan (for vendors who are not currently setup in Georgia Tech's E Procurement System or for vendors with whom we expect to only make one purchase). Effective, April 1, 2017, the State of Georgia PCard Policy changed which requires all State Agencies participating in the PCard Program to have an approved PCard Plan. This PCard Plan was signed off by the Institute's President and the Institute's Chief Financial Officer (Chief Business Officer) and approved by the Department of Administrative Services in conjunction with the Office of Planning and Budgeting at the State level. Cardholders must follow State of Georgia (DOAS), Board of Regents (BOR), and Georgia Tech purchasing policies and strive to obtain the maximum ultimate value for each dollar of expenditure. Additionally, Institute employees and officials assigned PCard responsibilities should familiarize themselves with the provisions of public law governing PCards to include Title 50, Chapter 5, Article 3 of the O.C.G.A.

The use of the PCard is beneficial to the individual purchaser, the purchaser's department, the Institute, and the suppliers. It simplifies the purchasing and payment process and expedites receipt of goods. The PCard provides significant cost savings to Georgia Tech while providing electronic control and accountability. Any vendor that accepts Visa will accept the PCard.

5.2 Safeguarding of the Institute's Assets

The following are steps that should be taken to safeguard the Institute's Assets.

- Rebates or refunds from vendors shall be the property of the Institute and shall be paid promptly into the Institute's accounts.
- Criminal and consumer credit checks will be performed in accordance with BOR and DOAS policy. The Institute will ensure that the results of background checks are provided the privacy protections required by law. New cardholders, are required to have criminal and consumer credit checks prior to being issued a PCard. Additionally, credit checks must be done again at the time of card renewal.
- Cardholders will be required to personally reimburse the Institute for purchases made that are not appropriately documented. Approving officials may be required to reimburse the Institute if the approving official approved the purchase.

- Habitual loss of receipts/documentation may require personal reimbursement by the cardholder and/or approver and may also result in termination of the PCard.
- Items of value purchased for distribution to students are allowed only in support of the educational objectives of the Institute. Additionally, the cardholder must maintain sufficient documentation to identify the individual receiving an item. The requirement to track individual recipients does not apply to items of de minimis value.
- Departments must ensure that PCards are promptly cancelled upon employee transfer or termination.
- PCard purchases can only be shipped to GT addresses. Items shipped to non-GT locations must have written approval from the cardholder's supervisor and the PCard Administrator.
- PCard Administration will review cardholder accounts annually to identify and close unused or low-usage cards for which there is no longer a business need.

5.3 Card Issuance

Authorization

PCards may be issued to "permanent, regular-status" employees only. No student employees, affiliates or Tech Temps may be issued cards. Only one card is allowed per employee.

A PCard Request Form is completed by/for the employee and then signed by Department Head to indicate authorization, cardholder spending limits, and cost allocation information. Spending limits should be determined based on the cardholder's job responsibilities, anticipated card usage levels, historical spending patterns, and budget limitations. The completed form with the required signatures is submitted to PCard Administration by the PCard Coordinator. After all background checks have been verified, the request will then be reviewed and approved by the CFO. Upon approval by the CFO, the PCard Administrator will order the card from the bank and maintain the form in a cardholder file.

Distribution

PCard Administration will notify the cardholder and appropriate PCard Coordinator when the card has been received and all documents are ready. Cards will be distributed to employees after completion of appropriate background checks, cardholder training and submission of the signed Employee Agreement Form.

Employee Agreement Form

Before being issued a PCard, a completed Employee Agreement Form, signed by the employee and Department Head must be submitted to Business Services. By signing the form, the employee acknowledges:

- Receipt of training and understanding of the regulations for use and protection of card.
- Understanding of responsibilities in reconciliation process and billing disputes.
- Understanding and acceptance of consequences for PCard violations.

5.4 Card Limits

Institute Limit

Since Georgia Tech, not the individual employee, will pay for the purchases made with the card, additional controls have been added to the card accounts. These limits are imposed at the point of sale when the card is swiped.

The PCard may be used for purchases not to exceed the cardholder's single transaction or cycle limit in the PCard Plan. The cardholder's Department Head working with the PCard Coordinator may identify additional limits based on card usage and budget limitations. These limits should be noted on the approved Request Form and kept in the cardholder's file.

Cardholder Spending Limits

Adjustable limits per card are:

- Dollar amount limit per transaction
- Dollar amount limit per cycle (month)

Requests for changes to card limits should be submitted on the "Limit Change Request" form by the Department Head or PCard Coordinator via email to PCard Administration. Change requests will be kept in the cardholder's file. Additional information can be found at the link to PCard Requisition Instructions and Exceptions for the requisition process and limit increases. The form is available online in the Forms section of the Business Services website at: http://www.procurement.gatech.edu

Merchant Activity Type Limits

Specific types of businesses identified by a Merchant Category Code (MCC) are restricted on the card. If you have difficulty using your card with any particular vendor, please contact your department PCard Coordinator or the PCard Help Desk.

Policy Limits

In addition to the limits that are controlled at the point of sale by the card, Georgia Tech limits the use of the card through policy. The card may be used only for purchases that are made under delegated authority or items exempt from review and approval by the Purchasing Department.

5.5 Authorized Use of PCard

All purchases made with a PCard must be for official Institute business. Cardholders and approving officials are designated as Institute purchasing agents and are subject to the provisions of O.C.G.A. § 45-10-1 et.seq. (State Employee Code of Ethics, Conflicts of Interest, etc.)

Authorized Purchases (Note: Exceptions may be granted by the Procurement PCard Manager)

- Equipment: Single units under the cardholder's single transaction limit Equipment over $3000 (single unit) is considered a capital asset and should be purchased via the Georgia Tech E-Procurement System.

- Supplies, Materials, and Services may be purchased for less than the cardholder's single transaction limit. The Institute will monitor activity for purchases for the same supplies, materials, or services from the same vendor so as not to exceed $9,999.99 per year unless competitively procured as detailed in Georgia Tech, DOAS regulations and BOR policies and procedures. Supplies and materials purchased may also include items purchased for resale.
- Purchases from Statewide and Agency Contracts are permitted.
- Conference Registration Fees for Institute personnel on official Institute business with the requirement that employees not request reimbursement for meals paid with the conference registration fees.
- Departments must ensure that conference registration fees for employees paid pursuant to this section are recorded as required by Institute Travel Regulations. Departments should require employees to capture the aforementioned registration expenses on the employee's travel expense statement. Care should be taken to ensure that the employee clearly identifies those items paid with the PCard versus those items requiring reimbursement.
- Student food, student travel, and food for instructional uses is permitted as outlined in the Institute Business and Finance Manual (BFM) Sections 5.2.1.9 and 6.16 subject to the documentation requirements outlined in this policy. Additionally, food purchased for sponsored research use as approved by an Institutional Review Board (IRB) is permitted.
- Employee food may be purchased with a PCard only when an employee is participating in a Group Meal or an on-campus academic program/on-campus sanctioned event as described in BFM Section 5.2.1.9. Employees participating in off-campus events or in a travel status must request reimbursement. Food purchases must be compliant with the State Food Group Meal Policy.
- Repairs and maintenance are authorized for Institute vehicles. All costs associated with vehicle repair and maintenance must be reported in accordance with DOAS fleet management regulations using the Maximo system.

5.6 Prohibited Use of PCard

- Personal items
  - The use of the PCard for personal expenditures is strictly prohibited. Cardholders who violate this rule must reimburse these funds and, if the violation is determined to be intentional, may be subject to both losses of employment and criminal penalties.
- Employee Travel expenses (lodging, transportation, meals).
- Entertainment expenses (must be done as a reimbursement through the Foundation or GTRC).
- Alcoholic beverages or tobacco products.
- Motor vehicle fuel (except for authorized rental vehicles for official student program group travel).
- Professional services as listed in BOR Business Procedures Manual (BPM) Section 3.1.2 including certified public accountancy, architecture, professional engineering, doctors & registered nurses, lawyers, and veterinary medicine.
- Gift cards, funding the GT BuzzCard, stored value cards, prepaid cards, calling cards, gift certificates, or other cash equivalent items.
- Food except as authorized under BFM Section 5.2.1.9.(PCard cannot be used for purchases of bottled water, beverage/coffee service, snacks, or entertainment)
- Cash advances, cash refunds, or "store credit."

- Memberships and/or fees to wholesale shopping clubs or "warehouse type" retailers.(e.g. Sam's, Costco, Amazon Prime)
- Agency (funds held on deposit) or affiliated organization expenditures except as permitted for Study Abroad Programs as detailed in BPM Section 21.4.
- Purchases made from units of the Institute. No internal Institute charges are allowed on the PCard. This includes, but is not limited to, OIT printing services, Library, and Parking. Please note: The PCard may be used for official Institute business at outsourced businesses including the GT Bookstore, VWR, and Aramark.
- Split purchases. Dividing one purchase into two or more to circumvent the single transaction limits and procurement requirements previously enumerated is not allowed.(more than one transaction to the same vendor on the same day which exceeds the single transaction limit of the cardholder)
- Sales tax. Sales tax should not be paid for purchases made from vendors within the State of Georgia using institutional funds. Institutional funds used to further institutional business purposes are not subject to sales tax as outlined in O.C.G.A. § 48-8-3 (8). Sales tax may be paid when required for vendors out of state.
- Please reference the Georgia Tech Reference Guide for PCard allowable and unallowable purchases found on the PCard page of the Procurement and Business Services website.

5.7 Limitations on Vendors

High Risk Vendors

Georgia Tech does not encourage the use of high risk vendors such as PayPal. If no other form of payment is accepted by the vendor, then the PCard High Risk Vendor Purchase Authorization Form (high risk vendors are listed on the form) must be completed, signed, and approved prior to each purchase and appended with the receipt as part of the accountable documentation for the PCard Statement. Violations of policy will be evaluated as noted in Section 5.17 - Violations of PCard Policy.

Additional Restrictions

Cardholder must not make PCard purchases from vendors where the cardholder has a financial interest. Cardholder must not accept any gift or gratuity from any source when it is offered, or appears to be offered, to influence your decision-making regarding PCard purchases.

5.8 Training

Policy Training

Department PCard Coordinators are required to complete the annual PCard Training and Certification online training tutorial. Cardholders are required to complete the "PCard Cardholder Training & Certification" online training tutorial prior to receiving a card.

Cardholders are required to re-certify annually. Failure to re-certify will result in card suspension until the re-certification is completed.

Departments must ensure that Approvers complete the "PCard Cardholder Training & Certification" online training tutorial initially and annually thereafter.

Georgia Tech's E-Procurement System Training

Cardholders and Pcard Cost Center Managers must complete the Georgia Tech's E Procurement System Pcard Training module prior to taking on either role.

Departmental Training

Departments are responsible for ensuring Cardholders and Approvers are trained in internal departmental PCard policies and procedures. Departments should ensure that non-procurement personnel are acquainted with small value purchase procedures.

5.9 Card Security

The cardholder should use basic security measures, as outlined below, to prevent unauthorized use and limit the potential for fraud.

- Sign the card as soon as you receive it.
- Always keep PCards and account numbers in a secure place.
- Safeguard the PCard as you would your personal credit card.
- Be aware of your surroundings when using the card.
- Monitor card activity in Georgia Tech's E Procurement System
- Reconcile and submit transaction verifications in a timely manner

Lost or Stolen Cards

Lost, stolen, or fraudulently used PCards must be reported to the Bank of America at 1-888-449-2273 as soon as possible after discovering the loss, theft, or fraudulent use. The cardholder's approving official and the PCard Coordinator must also be notified. Evidence of fraudulent use may be requested to include transaction detail. Lost or stolen cards require card cancellation. Failure to report the loss, theft, or fraudulent use of the PCard may result in increased financial loss to the institution.

The PCard Coordinator has the responsibility for communicating the information to PCard Administration.

Surrendering the PCard

The PCard is the property of the State of Georgia. The cardholder is to surrender the PCard to the PCard Coordinator upon request, retirement, termination, or transfer to another department. The PCard Coordinator should destroy (cut up) the PCard and notify PCard Administration via email to cancel the PCard.

5.10 Documentation Requirements

Requisition Form

Unless covered by an approved exception, every purchase requires two prior approvals prior to purchase. These prior approvals must be documented via a requisition form designated by Procurement and Business Services. If the purchase is approved, the cardholder may make the purchase. The signed requisition form must be appended to the receipt image prior to the submission of the statement for approval.

Receipts

For each transaction, accountable documentation (i.e. a sales draft or receipt) must be obtained as proof of purchase. This documentation will later be used to verify the purchases shown on the cardholder's transaction in Georgia Tech's E Procurement System. The documentation must contain line item description and line item pricing for the purchase. The documentation should include:

- Vendor name
- Transaction amount
- Date of the purchase
- Itemized list of items purchased
- Other information as required by the department

If a sales draft or receipt does not provide a description, the cardholder should write the description on the document. For items such as subscriptions and registrations, where a receipt is not normally generated by the merchant, a copy of the ordering document may be used so long as it contains a description and price. Copies or facsimiles of the original receipt may be acceptable if the original is not available.

If the documentation for a transaction has been lost, it is the cardholder's responsibility to obtain a duplicate from the vendor. If a duplicate cannot be obtained, the cardholder should complete the PCard Receipt Replacement Form to serve as the receipt. The PCard Receipt Replacement Form should contain the itemized information for the transaction, as listed above, and describe the cardholder's attempt to obtain a duplicate from the vendor. PCard Receipt Replacement Forms may only be used on an exception basis. Excessive use of the form (defined as more than three times in one fiscal year), may result in suspension of card privileges.

Receipts are attached to each transaction in Georgia Tech's E Procurement System by uploading the receipt and attaching it to the transaction.

Maintaining PCard Documentation

Documentation will be retained in accordance with records retention and fund requirements. For transactions posted on or after October 28, 2017, this documentation will be housed in Concur and/or in Georgia Tech's Imaging System. For transactions prior to October 28, 2016, statements with documentation must be kept by the Department.

Original receipts must be kept by the cardholder or department for 1 year per DOAS Policy (rolling 12 months). The documentation must be made readily available for review/audit if requested.

5.11 Making a Purchase with a PCard

The PCard can be used to make purchases over the counter, by mail, by fax, by telephone, or by Internet at any vendor that accepts Visa.

Obtain Best Value

When accepting a PCard, the cardholder becomes an authorized purchaser for the Institute with specific responsibilities for expending public funds. The cardholder should ensure the purchase is appropriate and in accordance with all Institute and State rules and regulations. Additionally, PCard purchases must comply with requirements of the Georgia Procurement Manual concerning Order of Precedence and Competitive Bidding. When purchasing goods or services, the order of precedence that should be followed in selecting the appropriate vendor is: (1) Statewide Mandatory Contracts, (2) GT Agency Contracts, (3) Georgia Correctional or Georgia Enterprises, and then (4) Statewide Convenience Contracts and the open market.

After verifying the item is not available on a Statewide or Agency contract, the cardholder must utilize lowest cost based on requirements, quality, and availability to obtain the maximum value of each dollar expended.

Fluctuate the suppliers to give fair treatment to all suppliers and to assure that the price obtained is reasonable. Transactions you make may be on behalf of Federal sponsors. Purchasing on behalf of government clients requires special sensitivity on the part of the purchaser to obtaining fair and reasonable prices, spreading purchases among many suppliers including small, small-disadvantaged, and women-owned businesses, and adhering to strict ethical conduct.

Sales Tax

When using the PCard, the cardholder should inform the vendor that the purchase is for official State of Georgia purposes, and therefore, may not be subject to Georgia state or local sales tax. If requested by the vendor, cardholders must present an "AP - Sales & Use Tax Certificate of Exemption / Georgia Form". The form is available online in the Forms section of the Business Services website at: http://www.procurement.gatech.edu

If sales tax is erroneously charged by the vendor, cardholders should make every effort to obtain a credit directly from the vendor. Documentation of attempts to obtain credits should be maintained with the transaction receipt by appending to the receipt. Note: Sales tax may not be disputed through the bank.

Making an Over-the-Counter Purchase

- Verify that supplier accepts the Visa.
    - o Note: If not and it is a supplier you will need for future purchases, notify PCard Administration.
- Provide the PCard for payment.
- Inform the clerk that the purchase is for official State of Georgia purposes, and therefore, exempt from state and local sales tax. The PCard indicates sales tax exemption, but cardholder should verify that clerk does not charge sales tax.
- Verify the dollar amount is correct and no sales tax has been included, then sign the sales draft.
- Retain your copy of the sales draft and receipt. If the copy does not provide a description of item(s) being purchased, the cardholder should write the description on sales draft or receipt.

- Follow PCard transaction/documentation process established by the department.

Making a Purchase via Mail, Fax, Telephone, or Internet

- Provide supplier with requested card information.
- Inform supplier that the purchase is for official State of Georgia purposes, and therefore, exempt from state and local sales tax.
- Give supplier detailed shipping instructions. It is recommended that you have the goods shipped directly to your campus address (this would normally be the cardholder's Billing Address). Please note: Goods should be shipped to official Georgia Tech business addresses only. Occasionally, researchers will be in the field at a sponsor's site and will need the goods shipped to that location or the location specified, (never a home address). Shipments to an address other than a campus Georgia Tech address must be approved by PCard administration via email from the PCard Coordinator, with the cardholder's supervisor's approval included. This documentation should be appended to the receipt as accountable documentation.
- Retain documentation for purchase. Acceptable documentation includes: a copy of order form, copy of catalog page showing cost, or email/faxed order confirmation showing price along with packing slip, print out of the online order form, print out of the online order confirmation, or a print out of the e-mail confirmation.

5.12 Returning Purchases Made with PCard

If you determine that the material is defective or incorrect, notify the supplier that the item needs to be returned and request an address to ship to, and a Return Authorization Number. Request that the supplier process a credit transaction through the PCard. Document that the goods have been returned for credit and communicate information through proper channels within your unit. Ensure that the credit appears in Georgia Tech's E Procurement System. If not, process the charge as a Disputed Transaction.

It is a good practice to keep original boxes, containers, and special packaging until you are certain you are going to keep the goods. Some items must be returned in the original packaging.

5.13 Disputed Transactions

It is the cardholder's responsibility to resolve discrepancies and ensure credits are received. When a cardholder discovers an incorrect amount has been charged for goods or services received, or a questionable purchase or transaction appears for verification in Georgia Tech's E Procurement System, the cardholder must immediately seek to resolve the problem with the vendor. Any communications should be documented and the documentation including dates, persons involved, and a brief description of the problem should be either appended to the receipt or appended to the PCard Dispute Form.

If the cardholder is unable to resolve the problem with the vendor, a PCard Dispute Form should be completed and faxed directly to Bank of America at the fax number on the form. The PCard Coordinator should be notified of the dispute and a copy of the dispute form should be appended to the

fraudulent/disputed transaction. The cardholder should check that credit was received. Note: Disputes must be submitted within 60 days of the statement date.

5.14 Reconciling PCard Transactions

Pcard Transactions post to Georgia Tech's E Procurement System for verification on a daily basis. As the transactions post to Georgia Tech's E Procurement System, the cardholder should review the transactions and attach receipts to the transactions. If the cardholder believes a transaction listed on the statement is incorrect, the procedures outlined in the "Dispute Transactions" section should be followed.

Approval Workflow

All PCard transactions must be reconciled (verified) in Georgia Tech's E Procurement System. All transactions must be submitted for approval by the cardholder. At a minimum a PCard Cost Center manager must also approve each transaction.

Timeliness and Escalations

The PCard office will provide direction on how/when transactions should be reviewed, submitted and approved in the online system. This direction will be provided to ensure that transactions are fully verified and posted to the ledger within sixty days of the transaction post-date.

Delinquency

Cardholder's cards whose online transaction verifications have not been submitted and completely approved within the 45 day time-frame may be suspended. Repeated non-compliance will result in card cancellation. Cards will be suspended/cancelled as follows:

- **First Offense** - PCard(s) suspended 7 days or until written notification (email is acceptable) is received that the reconciliation package is complete and the cardholder is in compliance, whichever is greater. PCard Coordinator notified of suspension.
- **Second Offense** - PCard(s) suspended 30 days or until written notification (email is acceptable) is received that the reconciliation package is complete and the cardholder is in compliance, whichever is greater. Cardholder must re-certify by completing the on-line "PCard Cardholder Training & Certification" tutorial. PCard Coordinator and Department Head notified of suspension.
- **Third Offense** - PCard(s) cancelled. Department Head may request cardholder be re-instated after 90 days provided written notification (email is acceptable) is received that all reconciliation packages are complete. Cardholder must re-certify by completing the on-line "PCard Cardholder Training & Certification" tutorial. PCard Coordinator, Department Head, and OHR notified of cancellation.

Note: In extenuating circumstances (such as extended travel, on leave, etc), departments may request that specific cards be exempted from suspension for a brief period.

Reviews/Approvals

Monthly review and approval of PCard transactions is required at the department level. The Department Head/PCard Coordinator will determine who the approvers will be for their departments.

Departments are responsible for reviewing all transactions to:

- Ensure the appropriateness of purchases and funds being utilized.
- Verify the completeness of documentation (detailed receipts, disputed transactions, approved requisition forms).
- Identify any policy violations and take appropriate action

5.15 Payment

Business Services will receive a consolidated monthly billing statement from Bank of America for all Institute cardholders. The statement will be reconciled and processed for payment, in accordance with a plan on file in Business Services.

5.16 Compliance Reviews

Transactions will be reviewed online in accordance with plans on file in Business Services and Internal Auditing. Cardholder files will be reviewed in accordance with a plan on file in Business Services. Internal Auditing periodically conducts on-site compliance reviews in each department. These visits will be designed to:

- Review departmental records and record keeping practices
- Monitor adherence to policy guidelines
- Identify opportunities for process enhancements
- Offer "best practice" procedures

Results of these reviews will be used to enhance Georgia Tech's PCard processes and will be shared with the Department Heads.

5.17 Violations of PCard Policy

Violations of rules governing use of PCards can be classified as minor or major. Violations are evaluated on an individual basis and any action taken is dependent upon the nature and frequency of the violation.

Minor Violations include honest mistakes, such as inadvertently using the wrong card; allowable purchases from Institute funds, but those which are not allowed on the P Card. Minor violations should be addressed as follows:

- **First Offense** - The department is to address the violation with the cardholder and provide additional guidance as needed. Actions taken should be documented in writing with a copy sent to the PCard Program Manager.
- **Second Offense** - PCard(s) may be suspended for 30 days. Cardholder must re-certify by completing the on-line "PCard Cardholder Training & Certification" tutorial. Department is to ensure that the PCard Program Manager and Department Head are notified.

- **Third Offense** - PCard(s) may be cancelled. Department Head may request cardholder be re-instated after 90 days. Cardholder must re-certify by completing the on-line "PCard Cardholder Training & Certification" tutorial. Department is to ensure that the PCard Program Manager and Department Head are notified.

Major Violations are those violations that indicate a willful intent to disregard rules that results in cardholder misuse (i.e. would include knowingly making personal purchases). The circumstances of the violations will determine the appropriate action, which could include termination of employment and criminal penalties. When cardholder misuse is suspected, the department is to immediately notify the PCard Program Manager and the Director of Internal Auditing.

- The PCard is to be suspended pending further review and investigation by Internal Auditing.

Suspected instances of noncompliance should be reported by calling EthicsPoint Hotline at 1-866-294-5565.

6.0 Purchase Order Guidelines

6.1 Overview

Purchase Orders (PO) are legally binding commitments. A PO is created and approved in the Georgia Tech E-Procurement System (Workday) and is issued to the supplier. The PO indicates types, quantities, and agreed upon prices, etc. for goods and/or services that the supplier will provide to the Institute. Providing a PO to a supplier constitutes a legal offer to buy the goods and/or services. Supplier acceptance of the PO forms an agreement between the Institute and the supplier that those goods or services will be delivered within the terms set forth on the PO or negotiated terms and conditions of sale.

6.2 Roles and Responsibilities

It is essential for Georgia Tech to maintain an environment where the Institute can conduct business efficiently, effectively and ethically with its suppliers while complying with generally accepted accounting principles and applicable laws and regulations of the state of Georgia. This requires Institute employees to fulfill their roles and responsibilities when making purchases on the Institute's behalf.

Collaboration of departments and individuals across the Institute along with the Purchasing Department is required to ensure that Georgia Tech can serve the campus community while meeting its compliance obligations.

Department and Administrative Unit Responsibilities

Georgia Tech's operations are generally decentralized, leaving the authority and accountability for institute-related purchasing decisions for a Department within the Department making the purchase.

Purchasing responsibilities are delegated to several roles within the Institute: the Employee as Self (Requisition Requestor), RQ Reviewer, Cost Center Manager, Driver Worktag Manager, and Buyer.

Role Name	Business Description
Employee as Self (Requisition Requestor)	Create Requisitions, Receipts, Returns, Change Orders, and enters accounting information.
RQ Reviewer	Reviews the entirety of the request and updates any accounting for requisitions
Cost Center Manager	Provides financial approval on transactions and examines availability of funds and necessary documentation
Driver Worktag Manager	Approves transactions, examines for appropriateness and allowability of spend
Buyer	Sources and issues purchase orders

6.3 Purchase Order (PO) Creation Process

Purchase orders are created in Georgia Tech's E-Procurement System (Workday).

Specific information related to how requisitions are entered, POs approved and received on, etc. can be found on Georgia Tech's Services and Support website.

6.4 Blanket Purchase Order

A blanket purchase order is a PO written for a total dollar amount which can be used to facilitate purchases that will require periodic payment over time (leases, frequently used suppliers, etc.).

The blanket PO allows the department to submit periodic invoices directly to the Accounts Payable Department without creating a new PO, or new PO line, for each purchase. The invoice amount is deducted from the total value of the approved blanket PO until the amount of the PO is exhausted or all goods/services have been received. Note: The PO should be setup as a service requisition in Georgia Tech's E-Procurement System (Workday) and received upon as goods or services are received, to ensure invoice payment is compliant with Institute terms and conditions. Blanket POs should be created at the onset of a contract or annually when possible.

Blanket POs with an amount greater than $2,500, should be utilized with the approval of Procurement Services to ensure compliance with all competitive thresholds, and requirements governing Institute and sponsored funds.

6.5 Approval Process

Georgia Tech uses an E-Procurement System (Workday) as the system of record and to document various approvals that are required prior to the issuance of a PO. All POs must be approved before they can be sent to a supplier. Approval Thresholds for Georgia Tech's Purchasing Department are listed below.

Job Title	Maximum Value of Contract (PO)
Procurement Coordinator	$10,000.00
Contracting Officer I	$75,000.00
Contracting Officer II	$150,000.00
Senior Contracting Officer	$250,000.00
Purchasing Manager	$500,000.00
Purchasing Director/ Senior Director of Business Services	Unlimited

More details regarding purchase order approval workflows can be found on Georgia Tech's Services and Support website.

6.6 Receiving Goods

When goods are received, the department is to ensure that the delivered materials have been inspected for damage, missing parts or errors in shipment and that the material received is compared to the packing list. For services, confirm that expected services have been performed in accordance with the contractual terms and conditions and that all deliverables have been received as outlined in the applicable contract. If the goods/services have been delivered as expected, create a receipt for them in Georgia Tech's E-Procurement System (Workday).

Georgia Tech's payment process requires a three-way match for payment of invoices on a purchase order that is greater than $3,000. This means that the net amount or the total outstanding on the supplier invoice, is to be paid in full 30 days after the goods or services have been received, invoiced, and the three-way match has occurred in Georgia Tech's E-Procurement System (Workday). Our contract states term for payment are net 30 days from receipt of invoice, receipt of goods or receipt of correct invoice, whichever is later. **Prepayment for goods or services should be avoided**. Note: An invoice must have the PO number listed in order for the invoice to be paid when it is received from the supplier and entered into Georgia Tech's E-Procurement System (Workday). Invoices for goods or services that do not have a receipt, if required, will go on hold and the supplier will not be paid until a receipt is completed.

Additional information about creating receipts can be found on Georgia Tech's Services and Support website.

6.7 Returning Goods

To return an item, the department should contact the supplier of the item for information on how to process a return. Following the supplier's procedures, the item should be returned directly from the department to the supplier and payment adjustment should be agreed upon at that time. Always request a Return Authorization Number from the supplier prior to returning goods. This facilitates the returned good by ensuring that the supplier is expecting the package and enabling them to more effectively receive it upon delivery. If there is a problem with the return, having this number will be a great benefit.

If the item(s) being returned had already been marked as received in Georgia Tech's E-Procurement System (Workday), remember to do a return for the item(s) in the system, as well. If the invoice for the item(s) was already processed by the Accounts Payable Department and the payment has already been made, a credit

memo should be received from the supplier. If the invoice has been processed, but not yet paid, the department should not receive on the PO so that the payment is placed on hold until a credit memo is received or until the corrected purchase is received. If the issue cannot be resolved with the supplier, contact the Georgia Tech's Purchasing Department.

Additional information about creating returns can be found on [Georgia Tech's Services and Support](#) website.

6.8 Payment Terms

Georgia Tech's standard payment terms are Net 30 from the date of the receipt of the invoice. This means that the net amount, or the total outstanding on the supplier invoice, is to be paid in full 30 days after the goods or services have been received, invoiced and the three-way match has occurred in Georgia Tech's E-Procurement System (Workday). Prepayment for goods or services should be avoided.

6.9 Invoice Processing and Credit Memos

All suppliers should send invoices to Accounts Payable (AP) at apinvoices@gatech.edu for payment. AP will match the invoice with the PO and the receipt, if applicable, and schedule the invoice payment date. The department is responsible for tracking and ensuring that credit memos issued for returned items are received from the supplier in a timely manner and that they are credited to the correct account.

Questions regarding payment of invoices should be directed to Georgia Tech's Accounts Payable Department by submitting a ServiceNow ticket via [Georgia Tech's Services and Support](#) website.

6.10 Regular Maintenance and Closure of Purchase Orders

The Department is responsible for the routine maintenance and closure of PO's, as appropriate. This aids in ensuring the accuracy, completeness and timeliness of expenses, corresponding payments and available funding.

- Adjust or clear encumbrances on POs once the true cost of the purchase is known, the purchase has been completed, or the purchase has been cancelled.
- Cancel POs or lines of a PO that are no longer going to be utilized.

Additional information about closing open purchase orders can be found on [Georgia Tech's Services and Support](#) website.

7.0 Supplier Contracts

7.1 Overview

A contract defines the business arrangements and legal obligations between the Institute and selected suppliers. The Institute must obtain protections in the contract from the substantive risks associated with the purchase of the goods or services, regardless of the purchase method utilized.

These guidelines document the supplier contracting process and describe situations when a contract is required before any Institute purchase can be made from a supplier. To facilitate compliance with this procedure, the Procurement Contracting Officers review and assists in the negotiation of most supplier contracts for the Institute.

7.2 Types of Contracts

Master Services Agreements (MSAs)

A Master Services Agreement (MSA) is typically a contract between the Institute and a supplier that specifies the substantive legal and business terms of the Institute's purchases of goods or services with that supplier. The MSA is designed to be used repeatedly by the Institute to procure goods or services from that supplier over a period of time using the same agreed to terms, reducing some of the burden of repeated contracting. A MSA usually does not include negotiated pricing or any commitment to purchase goods or services.

The department along with GT Purchasing Department will need to negotiate pricing or other specific business terms of the specific good or service that will be purchased (for example, quantity or timing of delivery). Use of an MSA to purchase a good or service generally requires the Institute to enter into an additional contract document with the supplier to document the specific business terms of the purchase that have not been agreed to in the MSA, which may take the form of a Statement of Work (SOW) or an order form that references the MSA. Any document which requires signature should be sent to the appropriate Contracting Officer in the GT Purchasing Department, regardless if there is an MSA in place.

Statewide Contracts

Statewide mandatory purchase contracts are established by State Purchasing for use by all state entities. Mandatory contracts must be used when purchasing the applicable goods or services. Examples: Furniture, Computer Peripherals and Audio Visual, Multifunctional Devices (copiers), Vehicles, etc.

Agency Contracts

A contract between the Institute and a supplier that specifies all business and legal terms (including pricing); no further negotiation is normally required to make a purchase (subject to the procurement limitations of Georgia Tech's Purchasing Policy).

Other

Other types of contracts include, but are not limited to, Professional Services Agreements, Software License Agreements, End User License Agreements, supplier quotations, supplier proposals, Memorandums of Understanding, and Letters of Intent.

Note: Electronic authorization, verbal agreement or signature creates a binding legal agreement between the Institute and a supplier. *Please consult Section 3.2.2 for more information on signature authority for contracts.*

7.3 When is a Contract Required?

Georgia Institute of Technology generally requires a contract in cases where the Institute may be exposed to substantive financial or legal risks from the purchase of goods or services. A contract is typically required when the Institute purchases a service from a supplier. A supplier may also require an executed contract before it provides goods or services to the Institute.

There is no minimum financial threshold required for a contract. Purchases for small dollar amounts or at no cost to the Institute may present legal or financial risks to the university that are many times greater than large dollar purchases.

Common situations in which a contract is required:

- Services that involve the performance of labor by individuals while physically present on the Institute's premises
- Purchase of services where deliverables (e.g., software, a report or a website) are created
- Purchase of professional services, including temporary employment and consulting services
- Agreements for leased space or facilities
- Space rentals for off-campus events including expos, exhibitions, etc.
- Catering services
- Cloud services, software-as-a-service, software licenses, software maintenance agreements and renewals
- Equipment leases
- Custom made goods
- Contract renewals
- Purchase of goods and equipment

When creating a contract, the focus is generally on:

- Ensuring that the contract reflects all the substantive agreed upon business terms, including pricing and payment terms
- Obtaining the appropriate commitments, representations and warranties from the supplier
- Obtaining the appropriate indemnifications from the supplier when warranted
- Eliminating any inappropriate limitations on the supplier's liability to the Institute
- Protecting confidential information
- Obtaining ownership of, or the appropriate right to use, intellectual property (when applicable)

- The potential for disputes or claims arising out of the services or products purchased, including infringement claims
- Compliance with applicable laws and Institute policies
- Terms and termination rights

Additional questions on contracts should be directed to the appropriate Contracting Officer in Georgia Tech's Purchasing Department.

8.0 Restricted Purchases and Special Procurements

8.1 Exempt Purchases

The State Purchasing Division (SPD) has established a list of goods and services that are either exempt from the State Purchasing Act or for which the competitive bid requirements have been waived.

Exempt goods and services identified by SPD are by NIGP code and posted on DOAS website.

These exempt purchases are reviewed by the Georgia Tech Purchasing Department for amounts greater than $2,499 when processed via Georgia Tech E-Procurement System (Workday).

Note: The Georgia Tech Purchasing Department reserves the right to require competitive bidding or sole source justifications on exempt purchases.

8.2. Emergency Purchases

In accordance with (O.C.G.A.) Section 50-5-71, SPD has granted the authority to the Institute to purchase urgently needed items arising from unforeseen causes, including, but not limited to, extreme weather conditions or official declared emergencies.

Emergency purchases are an exception to the Order of Precedence. An emergency procurement is handled outside of the normal competitive process for purchases greater than $24,999.99 because of the urgency of the circumstances, such as the immediate welfare of the general public. Poor planning or the pending expiration of funds does not constitute a valid justification for an emergency purchase. It is always good business practice and considered to be in the best interest of the state of Georgia to make any procurement as competitive as time permits. The Institute is authorized to handle the emergency purchase whether or not the dollar amount of the emergency purchase falls within the Institute's delegated purchasing authority.

Emergency purchases must be communicated via email to the appropriate GT Procurement Contracting Officer by the next business day. Please include the Emergency Authorization Form as an attachment.

8.3 Radioactive Materials & Restricted Purchases

All procurements of radioactive materials/isotopes and any X-Ray generating devices are governed by the GT Radiation Safety Committee (GTRSC) to maintain compliance with the Georgia Department of Community Health or the license granted by the Georgia Department of Natural Resources. All procurements of radioactive material/isotopes and any X-Ray generating devices must be approved by the GT Office of Radiological Safety. The Office of Radiological Safety procedures and forms can be found at https://www.ehs.gatech.edu/radiation.

A complete list of restricted chemicals or equipment purchases along with the applicable request forms to obtain a restricted item can be found at https://www.ehs.gatech.edu/chemical/restricted

8.4 Used Equipment

A Used Equipment Justification Form is required when purchasing used equipment. This form affirms that department personnel have personally examined the used equipment and do state that the condition of the equipment is as represented, they will accept full responsibility, and the best interest of the State of Georgia and Georgia Tech will be served by the purchase of this used equipment. If purchased with sponsored funds, sponsor approval may be required prior to purchase.

8.5 Animals

Animal procurements for research and teaching activities must have prior approval by the Georgia Tech Institutional Animal Care and Use Committee (IACUC).

8.6 Vehicles

The Georgia Tech Office of Fleet Services manages and provides assistance to the Institute in compliance with the standards developed by the State of Georgia Office of Fleet Management. Fleet Services is responsible for all motor vehicles either owned, rented, leased, donated or otherwise under the possession and control of the Georgia Institute of Technology. Thereby managing all policies, rules and regulations, governing the purchase, operation, use, assignment, maintenance, service, repair and disposal of vehicles.

Questions about purchasing or leasing a vehicle should be directed to the Georgia Tech Office of Fleet Services at GTFleet@gatech.edu or (404) 385-4232.

8.7 Procurements for Personal Use Using State Funds

It is unlawful to make procurements for the personal use of an employee. While it is difficult to define specifically all such goods and services, the following list includes examples of items which have been

denied (by State Purchasing, other state agencies and Georgia Tech) on the grounds that the apparent end-use is primarily personal in nature:

- Holiday decorations and cards
- Cut flowers/plants
- Entertainment and recreational activities
- Alcoholic beverages
- Bottled water, coffee and beverage service, snacks
- Watches, groundbreaking shovels and other items to be granted as a donation or gratuity in favor of a person, corporation or association
- Dues to a Chamber of Commerce
- Clothing, such as tuxedos, used for commencement services or other personal use
- Personal moving expenses, other than authorized relocation expenses
- Airline club memberships
- Gifts and gift cards

8.8 Unauthorized Purchases

When an unauthorized purchase is identified, the department and employee making the purchase will be notified and appropriate actions may be taken by the department to discipline the purchaser and recoup any funds expended in an improper manner. The purchaser will be required to submit an explanation of why proper purchasing policy and procedure were not followed along with an assurance that steps will be taken to avoid future violations of this nature. The explanation should include a description of the unauthorized purchase, why the unauthorized purchase occurred, evaluation of pricing, confirmation that the department has the available resources to pay for the unauthorized purchase and a description of preventive steps. If a purchase request/requisition has been submitted in the Georgia Tech E-Procurement System (Workday) and the buyer ascertains that the purchase has already occurred or that work has commenced, the requisition may be subject to rejection and the purchaser required to follow unauthorized purchase procedures.

Appendix

<u>Related Links</u>

[Board of Regents (BOR) PCard Policy](#)

[Board of Regents (BOR) Policy Manual](#)

[Department of Administrative Services (DOAS) PCard Policy](#)

[Exempt NIGP Codes](#)

[Federal Acquisition Regulation (FAR) Clauses](#)

[Georgia Procurement Manual](#)

[Office of Management and Budget (OMB) Uniform Guidance 2 CFR 200](#)

[State Accounting Office (SAO) Purchase Order Policy](#)

[State Purchasing Act](#)

[University System of Georgia (USG) Business Procedures Manual](#)